

**TOWN OF BLACKVILLE MUNICIPAL COURT  
BLACKVILLE, SOUTH CAROLINA**

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**State Auditor's Report  
April 30, 2006**

**TOWN OF BLACKVILLE MUNICIPAL COURT  
BLACKVILLE, SOUTH CAROLINA**

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# *State of South Carolina*



## *Office of the State Auditor*

1401 MAIN STREET, SUITE 1200  
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

(803) 253-4160  
FAX (803) 343-0723

October 6, 2006

The Honorable Mark Sanford, Governor  
State of South Carolina  
Columbia, South Carolina

The Honorable Cecelia Burton, Clerk of Court  
Town of Blackville  
Blackville, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the Town of Blackville Municipal Court for the period May 1, 2005 through April 30, 2006, was issued by Cline Brandt Kochenower & Co., P.A., Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

RHGjr/trb

CLINE BRANDT KOCHENOWER  
& Co., P.A.  
Certified Public Accountants  
*Established 1950*

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor  
Office of the State Auditor  
Columbia, South Carolina

We have performed the procedures described below which were agreed to by the South Carolina Office of the State Auditor solely to assist these users in evaluating the performance of the Town of Blackville Municipal Court System and to assist the South Carolina Office of the State Auditor in complying with the 2005 - 2006 General Appropriations Act (H. 3716) Section 72.86. Cecelia Burton, Clerk of Court for the Town of Blackville is responsible for compliance with the requirements for the Municipal Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2005 - 2006 General Appropriations Act (H. 3716) Section 72.86. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**1. TIMELY REPORTING BY THE CLERK OF COURT**

- We researched South Carolina Code of Laws Section 14-25-85 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the Municipal Treasurer.
- We inquired of the South Carolina Judicial Department to determine their requirements for both the manner in which partial pay fines and fees are to be allocated and the timing of the report and remittance submissions by the Clerk and the Treasurer.
- We inquired of the Clerk of Court and Municipal Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the treasurer specifically documents timeliness.
- We inspected documentation, including the Clerk of Court Remittance Forms or equivalents for the months of May 1, 2005 through April 30, 2006 to determine if the Clerk of Court submitted the reports to the municipal treasurer in accordance with the law.

We found no exceptions as a result of the procedures.

## **2. TIMELY ACCURATE RECORDING AND REPORTING BY THE TOWN**

- We traced each month's reporting by the Clerk of Court to the Municipal Treasurer's Office and to the Town's general ledger accounts for the assessments (Sections 14-1-208(A), (B) and (D)) and victim's assistance surcharge (Section 14-1-211) for the period May 1, 2005 to April 30, 2006.
- We compared the amounts reported on the Clerk of Court Remittance Forms or equivalents to the Clerk of Court's software system-generated report summaries for three judgmentally determined test months. We tested the system-generated reports for compliance with various laws including Section 35.11 of the General Appropriations Act for the fiscal year 2005 – 2006 and with South Carolina Judicial Department training instructions and interpretations.
- We judgmentally selected and compared individual fine and assessment amounts recorded in the Clerk of Court's software system-generated detail reports to the Judicial Department guidelines' range for the offense code to see if the fine and assessment were within the minimum and maximum range.

We found no exceptions as a result of the procedures.

## **3. PROPER VICTIM'S ASSISTANCE FUNDS ACCOUNTING**

- We inquired as to the format determined by Town council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-208(E)(4).
- We compared the fiscal year-ended June 30, 2005 audited Victims' Rights Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges on page 36 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2005.
- We verified the Victims' Rights Fund reimbursable expenditures were in compliance with Section 14-1-208(E) and Section 14-1-211(B).

We found no exceptions as a result of the procedures.

#### 4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER

- We vouched the amounts reported in the South Carolina State Treasurer's Revenue Remittance Forms to Clerk of Court Remittance Forms or equivalents for the period May 1, 2005 to April 30, 2006.
- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-208(B).
- We traced amounts recorded in the Town's financial statement Schedule of Fines, Assessments and Surcharges on page 36 of the year ended June 30, 2005 report related to fines and assessments revenues reporting in accordance with Section 14-1-208(E) to supporting schedules used in the audit to comply with Section 14-1-208(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms or South Carolina State Treasurer's Revenue Remittance Forms.

Our findings are reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER" in the Accountants' Comments section of this report.

We were not engaged to, and did not conduct an audit the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended April 30, 2006 and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Office of the State Auditor, Chairmen of the House Ways & Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, State Treasurer, Office of Victim Assistance, Chief Justice and the Governor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "R. H. Gilbert, Jr." with a stylized flourish at the end.

July 27, 2006

**ACCOUNTANTS' COMMENTS**

**TOWN OF BLACKVILLE MUNICIPAL COURT**  
**BLACKVILLE, SOUTH CAROLINA**  
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**MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS**

The procedures agreed to by the agency require that we plan and perform the engagement to obtain reasonable assurance about whether noncompliance with the requirements of State Laws, Rules, or Regulations occurred and whether internal accounting controls over certain transactions were adequate. Management of the entity is responsible for establishing and maintaining internal controls. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Therefore, the presence of a material weakness or violation will preclude management from asserting that the entity has effective internal controls.

The conditions described in this section have been identified as material weaknesses or violations of State Laws, Rules, or Regulations.



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State Auditor's Report, Continued  
April 30, 2006

**TIMELY ACCURATE REPORTING TO THE STATE TREASURER**

**REPORTING OF PULLOUTS IN THE PROPER LINE ITEM**

**CONDITION:** The State Treasurer's Revenue Remittance Form is designed to separately report surcharges and pullouts assessed and collected according to the specific law. The Town is not reporting Driving Under Suspension [**DUS**] pullouts properly on the State Treasurer's Revenue Remittance Form. The Town is reporting DUS pullouts as Driving Under the Influence [**DUI**] pullouts.

**CRITERIA:** South Carolina Code of Laws Section 56-1-460 requires \$100 to be assessed on each fine and pullout and remitted to the State to be used by the Comptroller General for the Department of Public Safety – Highway Patrol.

**CAUSE:** The Town inadvertently reported DUS pullouts on the wrong line.

**EFFECT:** Since the \$100 DUI pullouts are to be used for the same purpose, there is no net financial impact because the State Treasurer deposited the funds in the same account.

**AUDITORS' RECOMMENDATION:** The Town should ensure they code all Assessments, Surcharges and Pullouts correctly on the State Treasurer's Revenue Remittance Form.

**REQUIRED SCHEDULE OF FINES AND ASSESSMENTS**

**CONDITION 1:** The Supplementary Schedule of Fines and Assessments, which was prepared by an independent external auditor and included in the Town's basic financial statements which were submitted to the State, did not include all information that is required by law to be reported on the schedule. The schedule did not include Victims' Assistance expenditures or balances carried forward separately.

**CRITERIA:** South Carolina Code of Laws Section 14-1-208(E)(1) requires that the municipality have an audited supplementary schedule indicating all fines and assessments collected by the municipal court, the amount of the fines and assessments retained by the Town Treasurer and the amount of fines and assessments remitted to the State Treasurer, and the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

**CAUSE:** The Town was not familiar with the law and did not review the schedule to ensure it included all required information.

**EFFECT:** The Supplementary Schedule of Fines and Assessments did not comply with South Carolina Code of Laws Section 14-1-208(E)(1)(f).

**AUDITORS' RECOMMENDATION:** The Town should ensure that the schedule complies with State law.

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**CONDITION 2:** The Supplementary Schedule of Fines and Assessments did not reconcile to the general ledger accounts

**CRITERIA:** South Carolina Code of Laws Section 14-1-208(E)(1) requires that the municipality have an audited supplementary schedule indicating all fines and assessments collected by the municipal court, the amount of the fines and assessments retained by the Town Treasurer and the amount of fines and assessments remitted to the State Treasurer, and the total funds, by source, allocated to victim services activities, how those funds were expended, and any balances carried forward.

**CAUSE:** The Town was not familiar with the law and did not review the schedule to ensure it included all required information.

**EFFECT:** We were unable to determine if the Supplementary Schedule of Fines and Assessments was generated from the general ledger or other subsidiary ledger.

**AUDITORS' RECOMMENDATION:** The Town should ensure their schedule reconciles to the general ledger or other subsidiary ledger.

Jackie T. Holman, Mayor

Miles Loadholt  
Town Attorney

Kenneth J. Bamberg  
Police Chief

Charles Epps  
Fire Chief

Harriett P. McKnight  
Clerk and Treasurer



*Council*

Kelvin Isaac

M. Ann Parnell

Billy Johnson

Harry Felder,

Rubert R. (Russ) Peed, Jr,

Patricia Brown

October 24, 2006

Cline Brandt Kochenower & Co., P. A.  
Attention: Steve Blake  
P O Box 848  
Gaffney, S C. 29342

Dear Mr. Blake:

Our auditor Finch Hamilton & Co. has spoken with you Mr. Blake in regards to Section TI, Required Schedule of Fines and Assessments and they are aware of the law and will be in compliance with South Carolina Code of Laws Section 14-1-208E for future financial statements.

The Town has made necessary changes that the DUS pullouts will be reported on the correct line on all future State Treasurer's Revenue Remittance Form.

I trust that this is all in order.

Sincerely,

  
Harriett. McKnight  
Clerk Treasurer